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SUBJECT: OPIC INQUIRY RE: ERBIL HOUSING PROJECT

REF: STATE 201641

1. This cable is in response to questions posed in reftel re: OPIC interest in Erbil Housing Project.

Scimitar, Bazian, and KRG Background

2. Iraqi contacts indicate that Scimitar Global Ventures acts as a broker for investing in risky countries. Bazian Investments, which is connected to the Barzani family, has not been involved in the Erbil area in the past. According to USG sources in Kirkuk and Erbil, the Kurdish Regional Government (KRG) is able to meet contractual obligations without difficulty, especially considering that the Barzani family will likely be able to mobilize the KRG to provide necessary support for the project. We were unable to uncover any information about the Brusknet cable TV investment in Sulaymaniyah.

Additional Information on Erbil Housing

3. According to USG sources in Erbil, there is a general shortage of housing in Erbil. Investors, many of whom are reportedly backed mainly by the Barzani family, are investing in higher-end projects, such as Dream City, a 1,400-unit planned community with prices averaging around \$300,000 per home. At the other end of the spectrum, internally displaced persons (IDPs) returning to Erbil are finding it difficult to find affordable housing, as are young middle-class people who are looking for more independence through living away from their extended families.

KHALILZAD